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Contact: [Taylor Harvey](#) (202) 224-4515

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Wyden Statement at Finance Committee Markup on Seema Verma Nomination to Lead CMS
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Two weeks ago, when Ms. Verma was before the Finance Committee, I said I would need better answers than she provided in the hearing. These were not “gotcha” questions. They were questions that go to the core of what it means to be CMS administrator:

- How would you use your authority to help doctors in Medicare, especially in rural communities?
- What is one example of how CMS could lower the high cost of prescription drugs?
- Could a state Medicaid program be designed to lock someone out of the program for six months if they miss a payment, even if they are making as little as \$12,000?

Unfortunately, the answers to the written questions were worse, not better, than what the committee heard in the hearing. What I read was a lot of happy-talk that didn’t amount to much substance. That’s deeply troubling for me when considering a position that’s responsible for a trillion dollars of spending on health care – something that touches every American family.

This is especially important for someone, like Ms. Verma, who doesn’t have a whole lot of background dealing with Medicare. The fact that this Committee barely has any notion of her views on prescription drugs costs or new payment models for doctors and how they affect rural communities makes it difficult to fulfill the Senate’s obligation to “advise and consent.”

Without any clear indication what her own views are, what I’m left to conclude is that Ms. Verma shares the views of many in her party, including her new boss if she is confirmed, Secretary Tom Price. Their proposals say that Medicare’s guarantee of defined health benefits should be ended, that Medicaid should be cut to the bone, and that insurance companies should be put in charge and allowed to use loopholes to once again discriminate against people with expensive pre-existing conditions.

Before I wrap up, I’d like to quickly touch on some of Ms. Verma’s unresolved conflict of interest issues. As was discussed in Ms. Verma’s hearing, she contracted directly with the State of Indiana while also contracting with at least five companies that provided hundreds of millions of dollars in services and products to the programs she was helping the state manage – Hewlett Packard, Health Management Associates, Milliman, Inc., Maximus, and Roche Diagnostics. In at least two cases – her contracts with HP and HMA – her answers show that Ms. Verma’s assignments for Indiana directly aligned with the work those outside firms were being paid to do.

Ms. Verma previously stated that she recused herself whenever potential conflicts arose and that her dual roles were common knowledge among state staff. In my written questions, I asked her for any

documentation she had of the process that she followed when she recused herself or any documentation of the actual recusals. She replied that there was none.

I understand that Ms. Verma received an opinion from the Indiana Ethics Commissioner that her work with HP was not in violation of the state conflict of interest laws, but that's because she was always a paid consultant to the state and never an actual state employee. She was simply able to skirt Indiana's relaxed conflict of interest rules, and the state was happy to go along. In my view, that does not absolve her from the potential for conflicts of interest. This is particularly true considering Ms. Verma was a senior advisor to both Governor Daniels and Governor Pence, oversaw Indiana's ACA implementation and Medicaid reform, and even maintained an office in the state government building.

I will again quote President George W. Bush's ethics lawyer Richard Painter who said that Ms. Verma's consulting arrangement in Indiana [quote], "clearly should not happen and is definitely improper." Ms. Verma was on both sides of the deal, helping manage the state's health programs while being paid by vendors to those same programs. Richard Painter called that a "conflict of interest." I agree, and I am concerned that if Ms. Verma is confirmed to lead CMS, where many of the companies she worked for are major vendors, there will not be adequate scrutiny of her past relationships with them, just as there wasn't in Indiana.

I don't expect to see eye to eye with every nominee to the Trump Administration. But I do expect good faith answers to questions that Senators from the committee of jurisdiction have. That's what's needed to make judgements about whether these nominees that come before the Finance Committee – especially those who will be making critical decisions about Americans' health care every day. I will oppose the nomination.

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